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Letter dated 17 June 2010 from the Chairman of the Security Council Committee established pursuant to resolution 1521 (2003) concerning Liberia addressed to the President of the Security Council

On behalf of the Security Council Committee established pursuant to resolution 1521 (2003) concerning Liberia, and in accordance with paragraph 9 of Security Council resolution 1903 (2009), I have the honour to submit herewith the midterm report of the Panel of Experts on Liberia.

I would appreciate it if this letter, together with its enclosure, were brought to the attention of the members of the Security Council and issued as a document of the Council.

(*Signed*) Ivan **Barbalić**
Chairman
Security Council Committee established
pursuant to resolution 1521 (2003) concerning Liberia

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Enclosure

Letter dated 13 May 2010 from the Panel of Experts on Liberia addressed to the Chairman of the Security Council Committee established pursuant to resolution 1521 (2003)

The members of the Panel of Experts on Liberia have the honour to transmit the midterm report of the Panel prepared pursuant to paragraph 9 of Security Council resolution 1903 (2009).

(*Signed*) Wynet **Smith**
(Coordinator)

(*Signed*) Rowan **Bosworth-Davies**

(*Signed*) Hervé **Gonsolin**

Midterm report of the Panel of Experts on Liberia submitted pursuant to paragraph 9 of Security Council resolution 1903 (2009)

Summary

Diamonds

The Government of Liberia authorized the export of over 27,700 carats of rough diamonds valued at approximately $9.13 million during 2009. The Presidential Task Force on Diamonds reconvened on 10 December 2009 after a 14.5-month hiatus and has approved a plan to transition to a Precious Minerals and Kimberley Process Oversight Committee. Liberia has submitted its annual report to the Kimberley Process. The Panel has not yet had the opportunity to assess whether Liberia has addressed compliance issues regarding data-sharing requirements. The General Auditing Commission of Liberia released an audit in February 2010 that confirmed ongoing problems with the functioning of regional diamond offices, as well as raising a number of other issues, including variances in declared revenues and audited payments of mineral licensing fees.

Forestry and other natural resources

The Panel is consulting relevant agencies on conceptual and methodological issues with regard to assessing the contribution of natural resources to peace, security and development within the context of Liberia's evolving legal framework. The Panel is also collecting data on developments in Liberia in the natural resource sectors, such as forestry, mining and agriculture, in order to prepare for an assessment. As at 4 May 2010, logging companies had paid a total of $8.63 million to the Government of Liberia with outstanding payments totalling $4.53 million, including over $475,000 in late payment fees. On 10 May 2010, the Ministry of Finance indicated that it had asked the Board of Directors of the Forestry Development Authority to meet and to proceed with the termination of contracts for companies that had not paid all of their fees by 8 May 2010. The Liberia Extractive Industries Transparency Initiative has completed its second annual reconciliation of revenues. A number of significant mining and agricultural concessions are in the process of negotiation and/or ratification. Control and enforcement in artisanal mining areas remains problematic and land disputes continue to occur in various counties.

Information on designated individuals

The Panel has collected identifying information on three designated individuals: Slobodan Tešic, Orhan Dragaš and Aleksic Jovan. A United States federal court awarded compensation of $22.4 million in damages to five torture victims for atrocities they endured at the hands of Charles McArthur Emmanuel ("Chuckie") Taylor, Jr., and the Anti-Terrorism Unit forces under his command.

Travel ban

The Panel has found no evidence of violations of the travel ban for the reporting period. However, the Panel is still conducting investigations into past violations and alleged violations of exemptions/waivers granted by the sanctions Committee.

Assets freeze

The Panel of Experts has focused its attention on seeking to evaluate whether the Government of Liberia has moved forward on implementation of the assets freeze. There is currently no additional evidence of any intention to enforce the assets freeze in Liberia. The Panel has approached the Financial Action Task Force to obtain its support in encouraging a more proactive approach to compliance with the assets freeze in Liberia.

Arms embargo

The Panel of Experts has found no major violations of the arms embargo during the initial reporting period. However, resolution 1903 (2009) requires notification for exports of arms and ammunition and provision of military-related training activities to the Liberian security forces. The partial lifting of the arms embargo is generally well perceived by Government officials. They recognize, however, that Liberia requires a significant acceleration of the civilian security sector reform process and an increase in available resources in order to permit the Government to strengthen its capacity to effectively control its land and maritime borders and to provide an adequate level of security to its citizens. Liberia's compliance with international instruments for the proliferation control of small arms is a key factor in ensuring the long-term stability of the country and the subregion.

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I. Introduction

1. By resolution 1521 (2003), the Security Council imposed sanctions on exports of arms and ammunition to Liberia, a travel ban on individuals identified as constituting a threat to peace in Liberia, and sanctions on diamond and timber imports from Liberia. By resolution 1532 (2004), the Council imposed an assets freeze on Charles Taylor and his associates. The Council has since lifted the sanctions on timber and diamonds and has modified the arms embargo, notably by paragraphs 1 and 2 of resolution 1683 (2006) and paragraph 1 (b) of resolution 1731 (2006).

2. Most recently, by resolution 1903 (2009), the Security Council further modified the arms embargo so that it no longer applies to exports of arms and related materiels as well as provision of assistance, advice or training related to military activities to the Government of Liberia. Thus the only remaining arms embargo is a prohibition on the export of arms and ammunition to non-State actors and individuals in Liberia. By resolution 1903 (2009), the Council renewed the travel ban initially imposed under paragraph 4 (a) of resolution 1521 (2003) for a further period of 12 months and recalled that the assets freeze on designated individuals and entities imposed by paragraph 1 of resolution 1532 (2004) remained in force.

3. By resolution 1903 (2009) the Security Council extended the mandate of the Panel of Experts on Liberia to investigate and report on the relevant sanctions measures. The Council has specifically requested the Panel to monitor whether there are violations of the arms embargo and travel ban and to assess the impact and effectiveness of the assets freeze. The Panel was also given the task of identifying and making recommendations regarding areas where the capacity of Liberia and States in the region can be strengthened to facilitate implementation of the travel ban and assets freeze, and assisting the Committee in updating the publicly available reasons for listing for entries on the travel ban and assets freeze lists of the Committee.

4. In addition, the Council has mandated the Panel to assess the impact of the modified arms embargo, specifically its effect on the stability and security of Liberia; the contribution of forestry and other natural resources to peace, security and development in Liberia within the context of Liberia's evolving legal framework; and the Government of Liberia's compliance with the Kimberley Process Certification Scheme, and to coordinate with the Kimberley Process in that assessment.

5. In a letter dated 8 February 2010 addressed to the President of the Security Council (S/2010/79), the Secretary-General announced the reappointment of two members of the Panel of Experts: Wynet Smith (Canada, natural resources expert and Coordinator) and Hervé Gonsolin (France, arms expert) and appointed Rowan Bosworth-Davies (United Kingdom of Great Britain and Northern Ireland) as the new finance expert.

6. The present document is the midterm report of the Panel of Experts requested by the Security Council in paragraph 9 (f) of resolution 1903 (2009), summarizing its observations and conclusions for the period from 15 February to 10 May 2010.

II. Methodology and collaboration with stakeholders

7. The Panel began its investigations in New York during the week of 23 February 2010. The Panel has focused on collecting new data related to its mandate, both in Liberia and elsewhere. Members of the Panel conducted an initial mission to Liberia from 7 to 26 March 2010 and will undertake a number of other missions in the coming months. The Panel also has conducted visits to Switzerland (27-30 March), Belgium (30 and 31 March) and the United States (14-19 April) during the first few months of its mandate.

8. During its first mission to Liberia, the Panel conducted extensive interviews in Monrovia with Ministers and officials of a number of Government ministries and agencies as well as with various officials of the United Nations Mission in Liberia (UNMIL) and other organizations. The Panel initiated field investigations in several Liberian counties, undertaking a mission in March to Grand Gedeh, River Gee, Maryland and Grand Kru counties in the south-east of Liberia.

9. The Panel has received information and assistance from a wide range of actors both in Liberia and elsewhere. Annex I provides a list of organizations contacted by the Panel in the course of its investigations during the reporting period.

10. In its field investigations, the Panel is focused on collecting information related to, inter alia, arms/ammunition movements, natural resources, knowledge of the travel ban at border sites, and the effectiveness of controls at border crossings and within natural resource areas. This information will contribute to the Panel's task of assessing the impact of the change in the arms embargo; the effectiveness of the travel ban; compliance with the Kimberley Process Certification Scheme; and the contribution of natural resources to peace, security and development.

11. The Panel is pleased to report that, in general, relations with the Government of Liberia remain collaborative and transparent. On 14 April 2010, the Panel received an official response of the Government of Liberia to the previous report of the Panel (S/2009/640) (see annex II). The Panel notes that this response addresses only the portion of the report that dealt with the implementation of the Kimberley Process. Section IV of the present report addresses the Government's response in more detail.

12. As requested by the Security Council, the Panel is cooperating with the Group of Experts on Côte d'Ivoire appointed pursuant to resolution 1893 (2009) and with the Kimberley Process. The Panel has had ongoing communication with the Group of Experts, exchanging information both via telephone/e-mail and through face-to-face meetings. The Panel wrote to the Kimberley Process Chair on 24 February 2010 expressing the Panel's intention of cooperating with the Kimberley Process and requesting access to the Kimberley Process statistical website. Further details on this issue are provided in section IV.

III. Recent developments in Liberia and the region

13. The situation in Liberia is relatively calm although there have been some incidents of concern in the past few months, notably in Voinjama, Lofa County, Kordyou Town, Grand Bassa County, and Harper, Maryland County. On 26 February 2010, an outbreak of violence and use of shotguns and machetes occurred in

Voinjama; the clashes resulted in four casualties, a number of injuries, and destruction of property (including three churches and two mosques). Tensions have been high at various periods in Harper in relation to the alleged cases of ritualistic killings. Malicious rumours circulating in Nimba County during March 2010 have also generated concerns regarding the rule of law.

14. According to the Finance Minister of Liberia, the country's regrowth will rebound to 7 per cent in 2010, although that is well down from the 13 per cent projected before the economic crisis.[1] The head of an International Monetary Fund mission visiting Liberia in April 2010 has also noted that Liberia's economy is "emerging from a series of setbacks mostly rooted in the global economic downturn".[2] The International Monetary Fund is projecting growth in the range of 6 per cent for 2010. Late in March 2010, the World Bank promised further funding to Liberia as a part of a programme to support fragile States affected by the world economic crisis.

15. Effective monitoring and tracking of the poverty reduction strategy and county development agendas are central to the implementation of the Government's development policy and programmes at the county level. However, there are reports that indicate that county development steering committees, charged with coordinating the relevant work of all Government entities, non-governmental organizations, and international partners, have continued to meet irregularly in many counties. This situation is largely attributable to absenteeism on the part of the superintendents and the representatives of important line ministries and agencies. There are also allegations of misuse of county development funds and the General Auditing Commission of Liberia is conducting an audit of those funds.

16. There are ongoing delays with the passage of the legal framework for the 2011 presidential and legislative elections and those delays could potentially affect preparations for the elections. For example, the enactment of a threshold bill is considered a prerequisite to the delimitation of electoral constituencies for elections to the House of Representatives and the elaboration of a comprehensive voter register. The United States Ambassador handed over the newly reconstructed National Elections Commission Headquarters on 24 March 2010.

17. The Panel notes that the current President, Ellen Johnson Sirleaf, has declared her candidacy for the 2011 presidential elections. Others have also declared their candidacy, including Senator Prince Y. Johnson.

18. Liberia held a national conference on traditional justice in Gbarnga, Bong County, on 15 April 2010, which was attended by 150 participants, including the President, legislators, civil society groups, women's groups and traditional leaders.

19. In March 2010, the Government of Liberia hosted a conference of the Economic Community of West African States (ECOWAS) on the theme "Two Decades of Peace Processes in West Africa: Achievements, Failures, Lessons" in Monrovia. The conference provided an opportunity to evaluate the organization's efforts to resolve past conflicts and reflect on how to approach future conflicts. The conference also included a meeting of National Commissions on Small Arms with the purpose of reviewing the Commissions' activities in 2009, planning activities for

[1] Economic Intelligence Unit, "Liberia economy: Bouncing back" (26 April 2010).

[2] International Monetary Fund press release, 19 April 2010. Available from www.imf.org/external/np/sec/pr/2010/pr10157.htm.

2010 in line with the ECOWAS Convention on Small Arms and Light Weapons, Their Ammunition and Other Related Materials, and discussing current security challenges in the Mano River Union.

20. In Côte d'Ivoire, tensions remain high and the country continues to be divided as the Front populaire ivoirien and the Forces nouvelles are still unable or unwilling to move the electoral process forward. The dismissal of the Government of Cote d'Ivoire and the Electoral Commission by President Laurent Gbagbo on 12 February 2010, and the outbreak of violence that followed and which resulted in several deaths, was a reminder of the still quite volatile security situation in the region. In its recent midterm report, the Group of Experts on Côte d'Ivoire pointed out that the political leaders in the north and the south appear unwilling to reunite the country because they benefit, politically and economically, from a divided country (S/2010/179, para. 5).

21. In Guinea, after Captain Moussa Dadis Camara was shot by a senior presidential guard in December 2009, the Defence Minister, Sekouba Konate, took temporary leadership of the military junta on 9 December 2010. An interim Government was appointed, comprising members of the opposition, trade unions and former junta members. The interim Government announced that presidential elections would be held on 27 June 2010 and that interim Government or junta members would be excluded from participating. Several senior military officials who are perceived to be allies of Dadis Camara were sacked and soldiers were arrested and accused of inciting mutiny. Opposition groups are still conducting protests in the capital, Conakry.

IV. Implementation of the Kimberley Process Certification Scheme

22. The Security Council lifted sanctions on the import of Liberian rough diamonds on 27 April 2007. Liberia has been a participant in the Kimberley Process since 4 May 2007 and began to export diamonds during September 2007. Specific requirements of the Kimberley Process Certification Scheme include issuance of certificates for each shipment; internal controls for both export and import of rough diamonds; maintenance and reporting of statistics; and cooperation and transparency.

23. Prior to the lifting of sanctions on diamonds, the Kimberley Process had conducted expert missions to verify the existence of a system that met the standards of the Kimberley Process Certification Scheme. Since Liberia's admittance to the Kimberley Process in May 2007, the Kimberley Process has conducted two review visits, the first in April/May 2008 and the second in May 2009.

24. The Kimberley Process report on the review visit in 2009 identified a number of ongoing challenges with regard to the implementation of Liberia's system of internal controls. The review visit team of 2009 noted that efforts to improve implementation appeared to have diminished and made a number of recommendations to improve Liberia's compliance with the Kimberley Process Certification Scheme. Rather than recommending a third review visit, the team proposed that Liberia's Kimberley Process Focal Point should provide the Chair of the Working Group on Monitoring with a full update on progress, including details

on each recommendation, and where no progress has been made. This update is due in May 2010. Upon receipt of the six-month update report, the Working Group on Monitoring is to make an assessment as to whether a further review visit is appropriate.

25. In its previous reports, the Panel has summarized Liberia's system of internal controls designed to meet the requirements of the Kimberley Process Certification Scheme and assessed the Government's implementation of the system (S/2007/689, paras. 19-25; S/2008/371, paras. 108-113; S/2008/785, paras. 18-56; and S/2009/640, paras. 21-77). The Panel noted in its most recent report (S/2009/640) that efforts in Liberia to implement the Kimberley Process Certification Scheme had diminished and that Liberia was not in compliance with data maintenance and sharing requirements.

26. To assess the Government's implementation of the Kimberley Process Certification Scheme, the Panel has focused its efforts on discussing collaboration with the Kimberley Process and on collecting required information and documents from Liberia regarding outstanding recommendations of the Panel and the Kimberley Process review visits of April/May 2008 and May 2009. However, the Panel is not yet in a position to report comprehensively on Liberia's progress towards addressing compliance issues as it does not have all the required information and is still discussing the assessment process with the Kimberley Process. Instead, the Panel provides a summary of its discussions with the Government of Liberia and the Kimberley Process in section A below and a summary of recent developments in the diamond sector in Liberia in section B. The Panel will provide a complete assessment in its final report in December 2010.

A. Discussions with the Government and with the Kimberley Process

27. The Panel had an initial meeting with the Minister and officials in the Ministry of Lands, Mines and Energy on 25 March 2010. At the meeting, the Panel submitted a request for various documentation, including the Ministry's workplan to address recommendations for improving compliance; an update on the status of production and export statistics for diamonds; and licensing information relating to mining, brokers and dealers. As at 3 May 2010, the Panel has not yet received all of the requested information, despite a follow-up request with Ministry officials.

28. As noted in section II, the Government of Liberia sent a written response to the Panel's last report (S/2009/640) on 1 April 2010. This response was transmitted to the Panel by UNMIL on 14 April 2010. The Panel notes that the Government indicated in its response that the Panel found it in non-compliance with the Kimberley Process Certification Scheme both in the introduction to its report and in paragraph 34. The Panel clarifies that it clearly indicated that the Government was in non-compliance only with regard to maintenance and sharing of data and that it had concluded that the Government was in danger of non-compliance in other areas, which reflected the findings of the 2009 Kimberley Process review visit.

29. The Panel notes that its assessment in some areas has been misinterpreted. For example, the Government's response indicates that the Panel wrote that the Government Diamond Office did not allow it to conduct analysis of its database. However, the Panel's point was that the database does not allow analysis of the links between mining vouchers, sales receipts and Kimberley Process certificates.

However, the Panel is pleased that the Government has indicated, at the meeting of 24 March 2010, that it is making progress in various areas, and looks forward to receiving documents related to these claims so that the Panel can verify progress and report on compliance.

30. As noted in section II of the present report, the Panel indicated its intention to collaborate in a letter to the Kimberley Process Chair dated 24 February 2010. In its letter, the Panel also requested access to the participants' statistical website to enable the Panel to assess compliance with data monitoring and reporting requirements. In addition, the Panel met with two officials of the European Commission, one of whom is Chair of the Kimberley Process Working Group on Monitoring, on 30 March 2010 in Brussels to discuss the modalities of collaboration. The officials stressed that they were pleased to collaborate but that they would prefer that the Kimberley Process provide specific data to the Panel rather than giving the Panel unlimited access to the participants' statistics website.

31. The Panel received a formal response from the Kimberley Process Chair on 27 April 2010, in which the Chair reiterated that the Kimberley Process recognizes that cooperation with the United Nations is "an important responsibility of the Kimberley Process Certification Scheme ... and that the Kimberley Process is committed to facilitating the timely sharing of information whenever possible". The Chair stated that any Panel request must be shared with members of working groups and any affected participant, and only in case there are no objections can the information be provided to the Panel, according to the administrative decision on sharing information with the United Nations approved by the Kimberley Process at its plenary meeting in November 2009 (see annex III). The Chair explained to the Panel that, because access to the participants' section of the statistics website was unlimited, he was asking the Panel to submit a request for specific information along with assurances of confidentiality that the information would not be further disclosed or used for purposes other than those described in the request.

32. The Panel is preparing a specific request for data and foresees no difficulty in providing assurances that it will respect confidentiality, except for the required task of reporting on Liberia's compliance. However, the Panel notes that the process outlined in the administrative decision is open to interpretation and can lead to lengthy delays, and even objections to the sharing of information, a concern the Panel raised in its previous report (see S/2009/640, paras. 73-74). The Panel will continue to engage with Kimberley Process participants in order to ensure that the Panel has access to the data it requires to undertake the tasks assigned to it by resolution 1903 (2009). The Panel Coordinator will attend the intersessional meeting in Israel in June 2010 to discuss any outstanding requests and to engage with relevant participants regarding assessing Liberia's compliance with the Kimberley Process Certification Scheme.

B. Developments in the diamond sector

33. According to the Ministry of Lands, Mines and Energy, the Government of Liberia issued 67 Kimberley Process certificates from 1 January to 20 December 2009 authorizing the export of just over 27,700 carats of rough diamonds valued at almost $9.13 million. The average value per carat was just over $329. The Government earned over $273,769 in royalties from those exports.

34. From September 2007 to December 2009, the Government has authorized the export of over 96,400 carats of rough diamonds valued at $21.67 million (see table 1). These exports have earned the Government just over $650,000 in royalties.

Table 1
Summary of Liberian rough diamond exports for 2007-2009
(United States dollars)

Time period	*Certificates (number)*	*Weight (carats)*	*Total value*	*Value per carat*	*Royalty*
September to December 2007	16	21 699	2 657 542	122.47	79 726
Total 2008	68	47 007	9 891 785	210.43	296 754
Total 2009	67	27 731	9 125 636	329.07	273 769
Total	**151**	**96 437**	**21 674 963**		**650 249**

Source: Government Diamond Office.

35. The Presidential Task Force on Diamonds met on 10 December 2009 after a 14-month hiatus and has held three more meetings (8 January, 23 February and 1 April 2010). The Task Force has endorsed a transition to a Precious Minerals and Kimberley Process Oversight Committee. This proposal has been forwarded to the President for her approval. The goal is to have the Oversight Committee in place by June 2010, pending the President's approval.

36. The Task Force reconvened a Technical Committee to work on an action plan (or matrix) related to Kimberley Process review visit recommendations. The Ministry of Lands, Mines and Energy has invited representatives from the Ministry of Justice and the Ministry of Finance to participate in the Committee. Civil society is also involved in this Committee.

37. At its meeting in December 2009, the Presidential Task Force on Diamonds approved the creation of a secretariat for the Task Force. The Technical Committee oversaw the development of terms of reference and the Task Force adopted these at its meeting in February 2010. The Ministry's Kimberley Process focal point will be the head of the secretariat and the Technical Committee will advise and support the secretariat.[3]

38. The Deputy Minister for Planning at the Ministry of Lands, Mines and Energy informed the Panel on 24 March 2010 that the Ministry and partners would finalize the matrix for addressing the recommendations made by the Kimberley Process review visits at the meeting of the Presidential Task Force on Diamonds on 1 April 2010. The Panel has requested a copy of the matrix from the Ministry but to date has only received a draft from other partners in the process. Other partners have indicated that the matrix was approved at the Task Force meeting on 23 February 2010.

39. With regard to reporting requirements of the Kimberley Process Certification Scheme, Liberia has submitted its annual report for 2009 to the Kimberley Process. As noted in paragraph 26, the Panel is not currently in a position to report on whether Liberia has improved its data reporting so as to be in compliance with production and export data-reporting requirements.

[3] Minutes of the meeting of the Presidential Task Force on Diamonds of 23 February 2010.

40. In both the report of the Kimberley Process 2009 review visit and the Panel's report of December 2009 it was noted that some of Liberia's regional diamond offices were not in operation at the time of the 2009 review visit. During February 2010, the General Auditing Commission of Liberia released an audit of the Ministry of Lands, Mines and Energy, which included an assessment of the functioning of the regional offices based upon visits by an audit team late in 2009. The audit team found that many of the eight regional offices they visited were not functional or that staff were uncooperative.[4] The audit supported most of the other findings of the Panel with regard to Liberia's compliance with the Kimberley Process Certification Scheme and raised a number of other issues, including problems with variances in declared revenues and audited payments on mineral licensing and royalty fees. Further details will be included in the Panel's final report.

41. Both the Panel and the Kimberley Process stressed the need for strengthening the rule of law. Recommendations included the establishment of full State control, improved collaboration, law enforcement training and insistence on application of the law. The Inspector General of the Liberia National Police has now been appointed to participate in the Presidential Task Force on Diamonds.

42. The Ministry of Lands, Mines and Energy held a week-long training workshop for 43 mineral inspectors late in March 2010. The workshop, which was conducted by senior staff from the Ministry in cooperation with the Liberia National Police and other law enforcement agencies, included an overview of the current regulations for prospecting and for mining licences, review of the implementation of the Kimberley Process Certification Scheme in Liberia, as well as ethics and reporting.

43. The European Commission support for technical advisers ended in December 2009. However, the Ministry currently has ongoing technical assistance through the involvement of UNMIL and United States Embassy staff, as well as other actors, in the Presidential Task Force on Diamonds and the Technical Committee meetings. The support of those staff members is essential to ongoing efforts to improve implementation.

44. USAID is set to embark on a new multi-year, multi-million dollar project, the Property Rights and Artisanal Diamond Development programme, to strengthen Kimberley Process implementation in Liberia. The project seeks to clarify and formalize land tenure rights for alluvial miners as part of the process of strengthening the chain of diamond custody required by the Kimberley Process Certification Scheme. The project will build upon previous support from the United States Government to the Ministry of $2.5 million that included the provision of advisers from the Governance and Economic Management Assistance Programme, who worked with the Ministry in evaluating mining regulations, internal procedures, and law, as well as development of a mining cadastre and Kimberley Process database.

V. Natural resources

45. The Panel is in the midst of conducting investigations in a number of areas with regard to its mandated task of assessing the contribution of forestry and other natural resources to peace, security and development in Liberia within the context of

[4] General Auditing Commission, HIPC Audit of the Ministry of Lands, Mines and Energy, February 2010.

the country's evolving legal framework. The Panel's methodology is threefold: review of key legislation; development of a conceptual and methodological framework for its assessment; and collection of data on each natural resource sector in Liberia, including forestry, mining, oil and gas, and agriculture (rubber and oil palm plantations).

46. The Security Council initially allowed timber sanctions to expire on 21 June 2006 and confirmed the lifting once Liberia enacted the National Forestry Reform Law in October 2006. Ten core forestry regulations were signed into effect on 11 September 2007. The Government of Liberia has since adopted other relevant legislation, including the Liberia Extractive Industries Transparency Initiative (LEITI) Act, the Lands Commission Act and the Community Rights with Respect to Forest Lands Act. Other laws and regulations are under development. The Panel is collecting and reviewing relevant legislation to identify major changes to the legal framework for the management of lands and natural resources. In addition, the Panel is following the development of new bills and regulations related to natural resources, including the comprehensive framework law for wildlife conservation and protection required by the National Forestry Reform Law.

47. With regard to the development of a conceptual and analytical framework, the Panel is collecting and reviewing materials on models for assessing natural resources and peace and development issues. The Panel has met with officials of the United Nations Development Programme and the Post-Conflict and Disaster Management Branch of the United Nations Environment Programme (UNEP). UNEP staff provided the Panel with a range of documents on the topic of natural resources, conflict and peacebuilding and expressed their support for the type of assessment the Security Council has requested the Panel to undertake. In this connection, they noted that there was still much work to be done in this area. The Panel has also held discussions with staff from the Peacebuilding Support Office of the United Nations, the International Union for Conservation of Nature and the Environmental Law Institute in Washington, D.C.

48. The Panel has also begun to collect data on the various natural resource sectors in Liberia. Given the range of resources, the Panel is currently focusing on the extractive sectors covered by the LEITI process: forestry, mining (diamonds, gold, iron ore), agriculture (rubber and oil palm concessions/plantations) and oil and gas. The Panel is also collecting information on land use and tenure issues. Specifically, the Panel is collecting data on both formal, licensed activities and informal, unlicensed activities occurring in the resource rich areas of Liberia. Relevant data include licences and concession agreements, formal revenue and employment data, informal sector data, opportunities and challenges, and information on any disputes and ways to resolve them.

49. Given the status of its enquiries, the Panel is not including an assessment in its midterm report. Instead, the rest of this section provides an update on some sectors and processes. The Panel will make its assessment in its final report in December 2010.

A. Update on forestry issues

50. As reported by the Panel in paragraphs 95 and 96 of its previous report (S/2009/640), many logging companies had not paid the fees due under their

forestry contracts as of late November 2009 (for both small timber sales contracts and the larger forest management contracts). According to information provided by the Société Générale de Surveillance, the chain of custody contractor, companies had paid a total of approximately $8.63 million to the Government of Liberia by 4 May 2010. Outstanding payments amount to approximately $4.53 million, including over $475,000 in late payment fees (see table 2).

51. While these revenues represent a significant improvement over the past two years, the total values remain well below the revenue projections from the logging sector identified in the Government of Liberia's poverty reduction strategy, which projected revenue of $24 million for the 2008-2009 fiscal year and $36 million for the 2009-2010 fiscal year. Given that the poverty reduction strategy projected a total of over $107 million for the period 2007-2011, the Government will have significant shortfalls in revenue from this sector. However, as noted in the previous Panel report, the Government of Liberia has since modified its expected revenues in the short term and was estimating $23 million for the 2009-2010 fiscal year (S/2009/640, para. 94).

Table 2
Forestry revenues paid as at 4 May 2010

(United States dollars)

Company	*Forest licence*	*Amount paid*	*Amount due*
Euro-Liberia Logging	FMC F	1 335 175.00	2 061 882.13
International Consultants Capital	FMC K	2 070 025.00	1 588 359.28
Geeblo Logging	FMC I	1 036 294.75	793 775.38
B&V	TSC A9	68 750.00	50 537.50
LTTC	FMC C	719 349.40	36 047.27
EJ&J[a]	FMC B	444 747.79	
Tarpeh Timber	TSC A2	82 453.33	0
B&B	TSC A7	17 640.00	0
Alpha Logging	FMC A	1 497 462.00	0
Atlantic Resources	FMC P	1 361 521.60	0
Total		**8 633 418.87**	**4 530 601.56**

Source: Société Générale de Surveillance data of 4 May 2010.

[a] EJ&J and Tarpeh Timber have also paid a total of $69,390.96 in stumpage fees and $62,676.15 in export fees as at 4 May 2010.

52. According to the Forestry Development Authority (FDA), the Government decided to be flexible because of the global economic crisis and provided revised deadlines of 31 January 2010 for payment of 50 per cent of all taxes owed, with the balance to be paid by 31 March 2010.[5] The Forestry Development Authority also stated that all overdue taxes/fees would incur a 5 per cent penalty and interest, in accordance with the provision of the tax code of Liberia, and that any company failing to clear its tax obligation by 31 March 2010 would have its contract terminated.

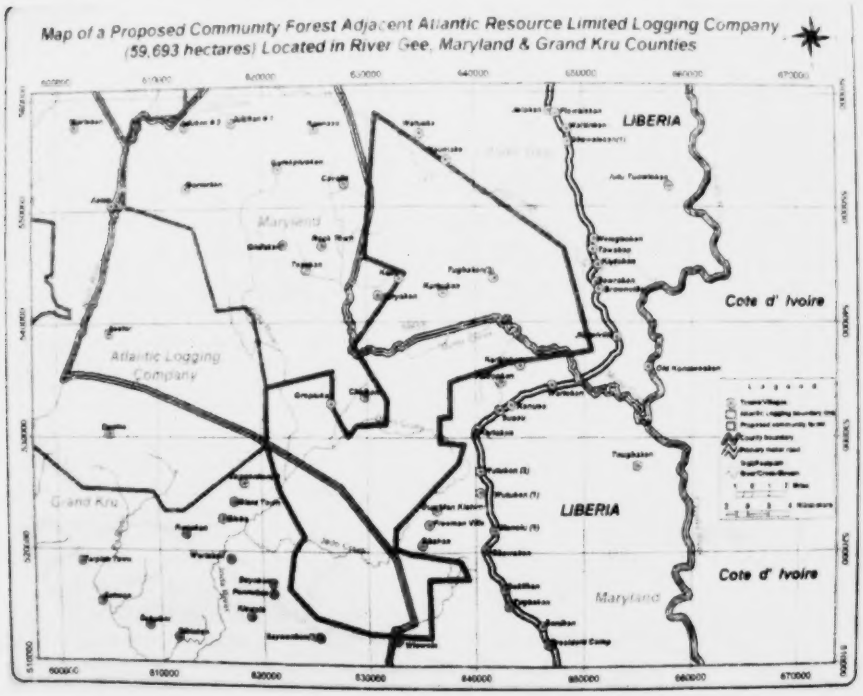
[5] Forestry Development Authority press release, 25 January 2010. Available from http://www.fda.gov.lr/press.php?news_id=244.

53. However, the Forestry Development Authority then sent a letter dated 8 February 2010 to all delinquent companies, which stated that the companies had until 8 May 2010 to meet their financial obligations, otherwise their individual contracts would be terminated.[6] The Panel confirmed these particulars with the Deputy Minister for Revenue of the Ministry of Finance on 28 April 2010. On 10 May, the Ministry of Finance indicated that it had requested the Board of Directors of the Forestry Development Authority to convene and to proceed with termination of the contracts for companies that had not paid all of their fees by 8 May. The Panel notes that at least some of the contracts were awarded under circumstances that were not always in accordance with the legal framework and to companies that did not always meet the standards of the due diligence process (see S/2009/640, paras. 87-93).

54. The Forestry Development Authority tendered five more timber sales contracts in February 2010 and bids were opened on 16 March (A-3, A-8, A-11, A-15 and A-16). The Panel will provide more details on this process in its final report.

55. The Panel was informed that there are plans for two community forests in south-eastern Liberia that would extend the holdings of Atlantic Resources (forest management contract P) by over 59,000 hectares (see map). The Panel is making further enquiries to determine whether these community forests are already approved and the process through which this happened.

Map of proposed community forests in south-eastern Liberia



Source: Forestry Development Authority office, Harper, Maryland County.

[6] Forestry Development Authority press release, 26 February 2010. Available from http://www.fda.gov.lr/press.php?news_id=249.

B. Update on the Liberia Extractive Industries Transparency Initiative

56. The Liberia Extractive Industries Transparency Initiative has released its second report on reconciliation of audited payments and revenues data provided by the relevant extractive companies (in the mining, oil and gas, forestry and agriculture sectors) and Government agencies for the 2008/09 fiscal year, which covers the period from 1 July 2008 to 30 June 2009. The report notes that the overall objective of the reconciliation exercise was to help the Government and people of Liberia to recognize the potential positive contribution that agriculture, forest, oil and mineral resources can make to economic and social development of the country as well as to realize these potentials through improved resource governance that encompasses and fully implements the principles and criteria of the international Extractive Industries Transparency Initiative.

57. The total revenue from the extractive industry sectors for the 2008/09 fiscal year was just over $35 million (see table 3). The initial amount declared by taxpayers was $32.39 million while the Government agencies declared $50.3 million, for a total difference of $17.9 million (or 36 per cent). After reconciliation, the remaining net difference was $144,995 or 0.4 per cent, with the taxpayer reporting $35.28 million and the Government reporting $35.425 million. The report states that the difference results from poor reporting or non-reporting by some mining and other companies (notably, SubSea Resources and Fundy Minerals). Most of the adjustments were the result of omissions due to either poorly organized accounting systems or hasty preparation of company submissions.

Table 3
Summary of 2008-2009 payments/revenues in extractive industry sectors
(United States dollars)

Sector	*Taxpayers' declarations*	*Government's declarations*	*Net difference*	*Percentage difference*
Agriculture	18 348 391	18 259 238	89 153	-0.5
Forestry	1 838 558	1 889 117	-50 559	2.7
Mining	10 632 601	10 816 190	-183 589	1.7
Oil	4 460 685	4 460 685	0	0
Total	**35 280 235**	**35 425 230**	**-144 995**	**0.4**

Source: Moore Stephens Chartered Accountants, Final report of the Administrators of the Second LEITI Reconciliation (February 2010).

58. According to the report, 72 companies declared payment of revenues to the Government of Liberia during the 2008/09 fiscal year, much higher than the initial 48 declarations expected initially. The reporting companies included 9 in the agriculture sector, 20 in the forestry sector, 38 in the mining sector and 5 in the oil sector. The auditors stated that the initial taxpayer database provided by the LEITI secretariat was not comprehensive and recommended that the secretariat should update its database following the reconciliation exercise and liaise with Government agencies to ensure that it obtains adequate information.

59. The Panel has begun to compare the information in the LEITI report to information on mining, broker and dealer licences previously obtained from the

Ministry of Lands, Mines and Energy. The Panel has noted that a number of companies identified as licence holders by the Ministry of Lands, Mines and Energy have not reported any payments to the Government through the LEITI process. Neither has the Government of Liberia reported revenues received from those companies. The total amounts due on the list of licences does not appear to match those reported as received by the Government of Liberia. A comparison of the LEITI-reported diamond export fees with information on diamond export fees provided by the Government Diamond Office also shows discrepancies between fees reported. The Panel is making further enquiries regarding the discrepancies and will report on the outcome of its investigations in its report of December 2010.

60. The LEITI report also notes that, while the initial template for reporting included amounts payable by taxpayers, this concept caused confusion and the secretariat of the Liberia Extractive Industries Transparency Initiative then agreed with the auditors that the template should be restricted to amounts actually paid. The Panel notes that, while this step simplified the reporting, in the long term, reporting of payments due is an important element to include as it would provide an indication of any unpaid fees and provide a solid foundation for analysis of reasons for any underpayments. Given recent developments in the forestry sector, as well as potential discrepancies in the mineral sector, this step seems important if the Government is to track its shortfalls.

C. Other developments and issues

61. According to the 2009 annual report of the Ministry of Lands, Mines and Energy, 30 companies applied for 45 mineral exploration licences. After vetting, the Ministry recommended to the Interministerial Concessions Committee the issuance of 20 exploration licences. Eight companies were granted two-year extensions on their licences while five companies were not granted extensions. Eight companies had their mineral exploration licences terminated or cancelled for non-compliance with the terms of their agreements. Various mineral development agreements have either been recently signed or ratified or are under negotiation.

62. Unregulated natural resource extraction activities, including pit-sawing and mining, continue in many areas of the country. The Panel witnessed unlicensed gold mining activity in south-eastern Liberia during its trip in March 2010. The Auditor General's report on the Ministry of February 2010 also addresses the issue of illicit mining. Re-establishing full control in rural, natural resource-rich areas remains a significant challenge for the Government of Liberia.

63. On 16 March 2010, there was an outbreak of violence at the Hummingbird Resources Mineral Exploration Company's camp, near Greeville, Sinoe County, south-eastern Liberia. Approximately 50 members of the local community attacked the camp, injuring British and other expatriate workers and damaging the site. The incident is alleged to be related to community concerns about water pollution by the mining company. Neither Liberia National Police officers nor UNMIL were able to reach the site until 24 hours after trouble broke out.[7]

[7] United Kingdom, Foreign and Commonwealth Office press release. Available at http://www.fco.gov.uk/en/travel-and-living-abroad/travel-advice-by-country/sub-saharan-africa/liberia.

64. The Lands Commission office in Monrovia was formally opened on 11 March 2010. The Lands Commission has begun to hold meetings in some counties. Its work will be important given the various sources of land conflicts that exist. While visiting the four counties in south-eastern Liberia, the Panel was informed by a number of agencies and individuals that land disputes continue to occur. These conflicts stem from county- and district-level demarcation problems arising from clan and individual-level disputes.

VI. Information on listed individuals

65. The Security Council asked the Panel to assist the sanctions Committee in updating the publicly available reasons for listing for entries on the travel ban and assets freeze lists. The Panel continues to collect information, wherever possible, to assist the Committee in this regard.

A. De-listings

66. The Committee de-listed one individual, Ali Kleilat, on 16 December 2009.[8] There are currently 45 individuals on the travel ban list and 22 on the assets freeze list, as well as 30 entities on the assets freeze list.

67. The former finance expert of the Panel has requested de-listing for one individual on the travel ban and assets freeze list in exchange for his payment of a sum of money into an escrow account that would then be paid to the Government of Liberia. The Panel notes that the guidelines for de-listing allow only an individual or a Member State to request de-listing, so that this case does not appear to meet the required protocol. The Panel discussed this case with the Minister of State for Presidential Affairs on 25 March 2010, who was not certain if it was officially backed by the Government of Liberia and promised to make enquiries and let the Panel know before the end of April 2010. The Panel followed up with his staff during the week of 27 April 2010 and is awaiting a response. The Panel addressed a letter dated 7 May 2010 to the Government of Liberia with regard to a number of issues and has requested a formal response on this case.

B. Updates on individuals and individuals' identifiers

68. The Panel has previously reported that Charles McArthur Emmanuel ("Chuckie") Taylor, Jr., was sentenced to 97 years in prison in January 2009 for torture, firearms possession and conspiracy in Liberia. On Friday, 5 February 2010, the United States federal court in a civil case against Charles Taylor, Jr., awarded a total of $22.4 million in damages to five torture victims for atrocities they endured at the hands of Taylor, Jr., and the Anti-Terrorism Unit forces under his command.

69. Following a request by the Panel in a letter dated 27 March 2009 for information about Edwin Snowe and Talal Nasr El Dine, the Lebanese authorities informed the Panel in a letter dated 20 April 2010 that Edwin Snowe has not

[8] United Nations press release, 16 December 2009. Available from http://www.un.org/News/Press/docs/2009/sc9822.doc.htm.

returned to Lebanon since 25 March 2004. They did not provide information about Talal Nasr El Dine since he was de-listed by the Committee on 8 June 2009.[9]

70. In response to a request for information sent on 21 April 2009, the Panel has been able to obtain from Serbian authorities some further identifiers on three listed individuals (see table 4).

Table 4
Identifiers for three listed individuals

Name	*Birth place*	*Date of birth*	*Current passport details*	*Current address*
Slobodan Tešic	Kiseljak, Bosnia and Herzegovina	21 December 1958	No. 006312941 (non-biometrical) issued by the Police Department of Belgrade on 13 May 2008	Koste Racine 5, Belgrade
Orhan Dragaš	Prizren, Serbia	20 December 1974	No. 006915870 (biometrical) issued by the Police Department of Belgrade on 24 November 2008	Nikole Bobrovica 13, Belgrade
Jovan Aleksic	Jagodina, Serbia	26 June 1950	No. 007202697 (biometrical) issued by the Police Department of Belgrade on 9 April 2009	Antifasisticke Borbe 13, Belgrade

Source: Letter dated 28 January 2010 from the Permanent Mission of Serbia to the Panel of Experts.

71. Guus Kouwenhoven was de-listed from the travel ban and assets freeze lists by the Committee in December 2008. However, the Panel notes that in April 2010 the Supreme Court of the Netherlands overturned a 2008 ruling by the Court of Appeal which cleared businessman Guus Kouwenhoven of charges of involvement in illegal arms deals and war crimes during the civil war in Liberia from 2000 to 2003.[10] The Court of Appeal will now have to re-examine the case and make a new judgement. The Panel recalls that Kouwenhoven was head of the Oriental Timber Corporation during the regime of President Charles Taylor.

VII. Travel ban

72. The Security Council imposed a ban on travel for designated individuals in paragraph 4 of resolution 1521 (2003) to hinder the ability of those individuals to contribute to instability in Liberia and the region. The Council renewed the sanctions in resolution 1903 (2009) in December 2009.

73. The Council also decided that it would review any of the above-mentioned measures at the request of the Government of Liberia, once the Government

[9] United Nations press release, 8 June 2009. Available from http://www.un.org/News/Press/docs/2009/sc9674.doc.htm.

[10] Court press release, 20 April 2010. Available from http://www.rechtspraak.nl/Gerechten/HogeRaad/Actualiteiten.

reported to the Council that the conditions set out in resolution 1521 (2003) for terminating the measures had been met, and provided the Council with information to justify its assessment.

74. The Council has given the Panel the task of monitoring the implementation and any violations of this measure. The Panel is also asked to make recommendations regarding areas where the capacity of Liberia and the States in the region can be strengthened to facilitate the implementation of the travel ban.

75. To assess implementation of the travel ban and identify violations, the Panel requested approved waivers from the United Nations Secretariat. The Panel also has written to a number of Member States requesting information related to alleged movements of individuals on the travel ban list. The Panel will compare the responses it receives with the list of waivers granted by the Committee. The Panel has held discussions with senior officials in the Ministry of Foreign Affairs, the Bureau for Immigration and Naturalization and the Presidency in Liberia regarding the travel ban.

A. Implementation and violation of the travel ban

76. The Panel has found no evidence of violations of the travel ban for the reporting period. However the Panel is still conducting investigations into the potential violation in October 2009 by Cyril Allen and violations of the terms of travel ban waivers granted to Edwin M. Snowe and Jewel Howard Taylor in 2009 as previously reported by the Panel (see S/2009/640, paras. 127, 129 and 130). The Panel has written to the Permanent Missions of Côte d'Ivoire, Ghana, Liberia and Nigeria requesting assistance.

77. In a letter dated 25 March 2010, Edwin Snowe responded to the Panel about his non-compliance with the conditions of the waivers for the trip to Accra from 27 January to 3 February 2009, instead of 30 January as granted by the Committee, and for the second trip to Accra from 2 to 9 June 2009, instead of 6 June as granted by the Committee (see S/2009/640, para. 129). He states the "information that I did not [comply] ... with the strict conditions of the waivers granted by the sanctions committee ... on two occasions is correct". However, he informed the Panel that his "extended stay was in Ghana in conformity with my waivers" and that he "informed the Committee with supporting medical documents on the causes of my extended stay immediately upon my return to Liberia". He notes that he was advised by the Committee that in the future he must inform the Committee before any postponement in line with the protocol of the sanctions regime.

78. With regard to paragraph 129 of the Panel's report (S/2009/640), Mr. Snowe writes: "I state without equivocation that I never travelled to Accra on 27 January [2009] aboard Emirates Airline flight 788 or any flight from Abidjan. Equally I did not depart Ghana on 3 February [2009] aboard Emirates Airlines 787 or any flight for that matter to Abidjan". He claims that he departed Monrovia for Accra via Virgin Nigeria Flight 806 on 27 January 2009 and returned to Monrovia from Accra on 3 February 2009 via Virgin Nigeria Flight 807. With regard to the second waiver granted for 2 to 6 June 2009 for travel to Ghana, Mr. Snowe states that the "claim by any Ghanaian authority that I travelled to and from Lagos on Virgin Nigeria Airlines is imagined and false". He states that he departed Monrovia for Accra on 2 June

2009 via Virgin Nigeria Flight 806 and returned on 9 June 2009 via Virgin Nigeria Flight 807 from Accra to Monrovia.

79. In 2010, the Secretariat responded to four requests from two designated individuals (see table 5).

Table 5
Travel ban waivers

Requested by	*Requested dates of travel*	*Destination*	*Status*	*Remarks*
Tupee E. Taylor	6-25 February 2010	Nigeria	Approved	—
Jewel Howard Taylor	13-27 March 2010	Ghana	Approved	Did not travel
Jewel Howard Taylor	24 March-7 April 2010	Ghana	Not considered	Submitted too late
Tupee E. Taylor	Not specified	Nigeria	Pending	No date nor itinerary

Source: United Nations Secretariat, Security Council Subsidiary Organs Branch.

B. Information on State capacity

80. The Liberian Minister for Foreign Affairs informed the Panel on 9 March 2010 that her Ministry was not receiving information from New York on travel ban waivers and that this was causing complications. The Panel informed the Minister that the Permanent Missions to the United Nations of all concerned Member States are informed by the Committee Chair about any travel ban waivers granted. The Panel does not know why this information is not reaching Liberia.

81. Similarly, at a meeting on 12 March 2010, the Deputy Commissioner of the Bureau of Immigration and Naturalization complained that, while his agency knows about the travel ban and the list of names, it does not receive copies of the waivers and de-listing decisions from the Ministry of Foreign Affairs. He also informed the Panel that the Bureau does not have the capacity to enforce the travel ban. He noted that there "may have been occasions where persons subject to the travel ban may have left the country via some of the exit routes at the borders as well as cases of those persons who have travelled abroad without formal approvals".

VIII. Assets freeze

82. In resolution 1903 (2009), the Security Council recalled that the assets freeze measure imposed by paragraph 1 of resolution 1532 (2004) remains in force. The Council, expressing its serious concern at the lack of implementation of the assets freeze in Liberia, demanded that the Government of Liberia make all necessary efforts to fulfil its obligations.

83. Pursuant to its mandate to assess the impact and effectiveness of the assets freeze, the Panel has undertaken investigations both within and outside Liberia. Within Liberia, the Panel has focused on determining whether the Government of Liberia is willing and able to act on the assets freeze.

84. During the reporting period, the Panel has focused on reviewing primary evidence still available to assist in an assessment of the impact and effectiveness of the assets freeze. The Panel has been reviewing the information currently in its possession and will compare that with new information and evidence as it becomes available. The intention is to focus on specific assets which may lead to a more comprehensive identification of jurisdictions that should be implementing the assets freeze.

85. The Panel has initiated a review of the actions of Liberia and other Member States. The Panel is preparing new letters to the relevant Member States with outstanding actions requesting that the information requested be provided. The Panel has also held meetings with Liberian officials to confirm any actions taken to comply with obligations relating to resolution 1532 (2004).

A. The assets freeze in Liberia

86. Within Liberia, the Panel has been focused on determining whether the Government of Liberia is willing and able to act on the assets freeze. At a meeting on 24 February 2010 with the Permanent Representative of Liberia to the United Nations, the Ambassador noted that it was politically challenging for Liberia to implement the assets freeze, given that the culture and the precedents are not present in Liberia, and it is potentially divisive.

87. Various officials within Liberia, including the Minister for Foreign Affairs at a meeting on 9 March 2010 and the Minister of State for Presidential Affairs at a meeting on 25 March 2010, referred the Panel to the Ministry of Justice for an update on the status of the assets freeze in Liberia.

88. The Panel has previously reported that on 3 August 2009 it met with Micah Wright, the Solicitor General of Liberia, to discuss the assets freeze sanction (see S/2009/640, para. 132). At a follow-up meeting on 25 March 2010, the Panel met with the Minister of Justice and the Solicitor General to discuss various issues, including the implementation of the assets freeze. The Minister of Justice and the Solicitor General stated they were not in a position to update the Panel on the implementation of the assets freeze. The Solicitor General stated that his office had not been provided with briefing materials by the last finance expert of the Panel and was not in a position to proceed further on the basis of the information available to his office. The Panel delivered various background materials to the office of the Solicitor General on 26 March 2010.

89. According to the information the Panel has as at 30 April 2010, the Government of Liberia has not implemented the assets freeze and is unlikely to do so, at least in the short term.

90. The Panel has reported previously that PLC Investments Ltd and some designated individuals objected to court-issued warrants relating to bank account records from banks in Liberia and obtained a writ of prohibition, thus staying the production of account records. The court scheduled a hearing for the writ for the third quarter of 2009. No verdict had been rendered as at the time of writing of the last report (see S/2009/640, para. 133). The Panel has no further information on the case at this time.

B. Assessing implementation elsewhere

91. Previous Panels have undertaken significant asset-tracing work through various official requests for assistance in obtaining required documents. Documents collected during the past two years consist of a significant body of photocopied bank evidence and other papers relating to some designated individuals and entities, as well as others who have not been immediately identified as being connected directly to Charles Taylor or his close circle.

92. The Panel will focus on a detailed analysis of the cash flows identified in those documents in order to ascertain if as yet unidentified payments have been made to third parties. It should be noted, however, that some of the issues identified regarding the South-East Asian entities are of historical interest only, some of the entities dating back many years, and these will not be included in the analysis.

93. The Panel has recently been informed of the existence of financial records, written documents and other possible evidence, currently in the control of the Anti-Fraud Department of the European Commission. The Panel met with an official of the Anti-Fraud Department on 31 March 2010 in Brussels, where the relevant documents were inspected and examined. The documents consist of a large volume of bank records, and corporate documentation, which are reported by the Anti-Fraud Department to demonstrate an alleged attempt by the former President of Liberia, Charles Taylor, to transfer money to unnamed associates in Belgium with a view to having those monies used for the purpose of bribing European Union officials. The documents are reported to disclose evidence of new bank accounts and corporate records hitherto not known to the Panel, and which may be a valuable source of new information. The Panel made a formal written request to the Netherlands authorities on 8 April 2010 to be granted access to copies of those documents.

C. Further options

94. The Panel has sought to identify other means of diplomatic support and assistance for implementation of the assets freeze in Liberia. The Panel has initiated enquiries with a senior official at the Financial Action Task Force to ascertain what support might be obtained from that office. The Financial Action Task Force is the international supervisory body which oversees the global commitment to "best practice" in implementing and enforcing global anti-money-laundering laws and regulations. They have published an internationally accepted series of what are universally known as the 40+9 Recommendations, which mandate a standard of internationally recognized best practices. States that are either members of the Financial Action Task Force, or members of one of the geographically aligned groups of States that have agreed to recognize and be bound by the Recommendations, are expected to give full recognition to those requirements and to implement them.

95. Liberia is a member of the Intergovernmental Anti-Money-Laundering Group in Africa, a geographically aligned body which includes countries of West Africa, and is thus subject to those commitments. The benefits attached to being a member of such a body include recognition that the member concerned is engaged in "best practice" and is willing to give full recognition to any requests for freezing criminally acquired assets. Such a recognition means that such a country can do

business in a global environment at a standard which is recognized as being an acceptable one and which does therefore not demand extra added due diligence.

96. The Financial Action Task Force routinely examines the activities of those countries that maintain a commitment to its Recommendations, and can, if necessary, bring remedial action to ensure that an individual member is acting according to the requirements of membership. A failure to provide a "best practice" environment can result in a country being listed as being required to undertake significant levels of extra added due diligence and investigation before undertaking any financial business.

IX. Arms embargo

97. As noted in the introduction, the Security Council lifted the embargo on arms and ammunition exports to the Government of Liberia in resolution 1903 (2009), leaving only an embargo on exports to non-State actors and individuals in Liberia.

98. However, resolution 1903 (2009) requires that all Member States "notify in advance to the Committee any shipment of arms and related materiel to the Government of Liberia, or any provision of assistance, advice or training related to military activities for the Government of Liberia" (para. 6). The Council also stressed the importance of such notifications containing all relevant information, including the type and quantity of weapons and ammunition delivered, the end-user, the proposed date of delivery and the itinerary of shipments. In resolution 1903 (2009) the Council also reiterates that the Government of Liberia shall subsequently mark the weapons and ammunition, maintain a registry of them, and formally notify the Committee that these steps have been taken (para. 6).

99. The Security Council gave the Panel the task of investigating the implementation, and any violations, of the measures imposed by paragraphs 4 and 6 of resolution 1903 (2009) and resolution 1521 (2003), as amended by paragraphs 3 and 4 of resolution 1903 (2009) and assessing the impact of the change in the embargo on the stability and security of Liberia (resolution 1903 (2009), para. 9).

100. The Panel conducted investigations by reviewing documentation provided by States and national, regional and international organizations, and conducting field trips and interviews. During its mission to Liberia, the Panel conducted investigations in Monrovia, Grand Gedeh, River Gee, Maryland and Grand Kru counties. It met with officials of Liberian ministries, county officials, representatives of private companies and civil society organizations. The Panel is regularly cross-checking information with the Group of Experts on Côte d'Ivoire.

A. Violations of the arms embargo

101. During this reporting period, the Panel has found no evidence of unauthorized shipments of arms or ammunition or unauthorized provision of assistance, advice or training related to military activities.

102. However, cross-border movements of single-barrel guns and ammunition between Guinea, Côte d'Ivoire and Liberia are still reported by the local population and the authorities. UNMIL has reported several cases of criminal activities

committed with automatic weapons but no reference is made to the possible origin of the weapons.

103. In March 2009, a public announcement stated that a Serbian intelligence agency had blocked an arms shipment carried out by Melvale Corporation, owned by Slobodan Tešic, a designated individual on the travel ban list.[11] On 21 April 2009, the Panel wrote to the Government of Serbia asking for further information on that case, as well as for information about Slobodan Tešic and two other Serbian citizens listed on the travel ban (Orhan Dragaš and Aleksic Jovan).

104. In a letter to the Panel dated 29 January 2010, Serbia did not confirm or deny the allegation. The letter stated that "Upon inspection of submitted documentation, it was established that the Libyan importer Temporary General Committee for Defence Procurement has submitted appropriate documents". The delivery status of the arms shipment remains unclear. As a listed individual is directly involved in this suspicious arms shipment and as the Panel was unable to identify the Temporary General Committee for Defence Procurement, it will ask the Serbian authorities for a copy of the end-user certificate and will continue its investigations into the matter.

105. The Panel notes that Melvale Corporation is owned by a designated individual involved in a violation of the United Nations arms embargo on Liberia in at least one documented case (see S/2003/498, paras. 74-87). Furthermore, the company is mentioned by human rights groups as having been involved in an illegal arms transfer during the war between Georgia and the Russian Federation in 2008. Melvale Corporation has an office in Belgrade but is officially registered in the Seychelles (Oliaji Trade Centre, Suites 25 and 27, 2nd Floor, Francis Rachel Street, Victoria, Seychelles). The owners are Nenad Sharenach and Slobodan Tešic. Its registered activity is the selling of "mineral and metals, iron and non-alloy steel".

B. Authorized provision of arms, related materiel and military assistance, advice or training

106. In a note verbale dated 25 February 2010, the Permanent Mission of the United Kingdom to the United Nations notified the Committee in accordance with paragraph 6 of resolution 1903 (2009) of its intention to provide various weapons, including 133 AK-47 rifles, 38 machine guns, 3 recoilless launchers and 29 rocket-propelled grenade launchers to the Armed Forces of Liberia as part of a United States training programme. This advance notification did not mention the proposed date of delivery and the itinerary of shipments including the mode of transport and the entry points where the materiel would be imported into Liberia.

107. The importance of providing the Committee with this information in advance was stressed in paragraph 6 of resolution 1903 (2009) and subsequently also in the revised guidelines of the Committee for the conduct of its work,[12] which contain as an annex an advance notification form for use by States in connection with any shipment of arms and related materiel to the Government of Liberia, or any provision of assistance, advice or training related to military activities for the Government of Liberia (see annex IV to the present report). Without this

[11] *Source*: Radio B92, Belgrade.

[12] The revised guidelines are available on the Committee's website: http://www.un.org/sc/committees/1521/index.shtml.

information, UNMIL will not be in a position to monitor and inspect the delivery of shipments of arms and related materiels into Liberia.

108. However, the UNMIL Force Commander informed the Panel on 8 March 2010 that UNMIL had also been informed of the shipment and had received further details. The shipment should have been delivered in February/March 2010, but delivery was postponed to a later date for various reasons and a date for delivery has not yet been set, according to the UNMIL Force Commander.

109. The Governments of China, France, Nigeria, Rwanda, Sierra Leone, the United Kingdom and the United States of America are currently conducting different types of training activities for the Liberian National Police and the Armed Forces of Liberia inside and outside Liberia. The Panel is currently checking whether the above-mentioned Governments have requested an exemption (before the adoption of resolution 1903 (2009) on 17 December 2009) or submitted an advance notification (after the adoption of the resolution) as required under paragraph 6 of the resolution. According to the revised guidelines of the Committee such notifications should specify the type of assistance, advice or training to be provided, the recipient(s) and the location.

110. On 25 March 2010, the newly formed Liberian Coast Guard launched, for the first time, an unarmed inflatable boat. The Coast Guard's base on Bushrod Island is being re-established and is undergoing improvements that are being executed and overseen by a unit of a United States Naval Mobile Construction Battalion. The unit is working on three infrastructure construction projects valued at $1.3 million — a pier, a boat ramp and perimeter wall, all of which are being funded by the Counter-narcotics and Law Enforcement Division of the United States Africa Command. A United States Coast Guard mobile training team will be giving courses in Liberia in April and May. Fifteen members of the Liberian Coast Guard are currently participating in the Africa Partnership Station aboard a United States ship. Throughout the next three years the United States Government will provide $5 million worth of training, equipment and infrastructure to the new Coast Guard.[13]

111. The United States Government has signed with the United States-based company DynCorp International a new order with a total value of $20 million over two years for operations and maintenance support of the Armed Forces of Liberia at Edward B. Kesselly Barracks and Camp Ware.[14] Services provided will include electrical power generation, water supply, waste disposal and vehicle maintenance. Under a previous task order on a State Department Africa peacekeeping contract, DynCorp International recruited, vetted and trained the basic infantry and non-commissioned officers of the new Armed Forces of Liberia.

C. Effects of the modification of the arms embargo on the stability and security of Liberia

112. The Panel discussed the modification of the arms embargo with numerous Liberian officials and members of civil society. The partial lifting of the arms embargo is generally well perceived and considered a signal of confidence of the international community in the progress made by Liberia. However, many people

[13] See article at http://www.africom.mil/getArticle.asp?art=4294&lang=0.

[14] See press release at http://ir.dyn-intl.com/releasedetail.cfm?releaseid=441249/.

also expressed concern about the increasing responsibilities of the Government of Liberia and the inherent challenges given the still weak security sector.

113. Several governmental officials, including the Minister of Justice, the Inspector General of Police and the National Security Adviser, informed the Panel that providing the Liberian National Police with additional weapons was not considered a major priority for the Government. There is currently no budget for that purpose and selected officers who might be provided with weapons must be first adequately vetted and trained. The Panel is not aware of any current plan to order additional arms for the police or other civilian security forces under the new procedure.

114. Liberian security institutions still depend heavily on UNMIL forces and logistical means to maintain law and order. In the context of the UNMIL drawdown, Liberian security forces do not currently have the capacity to take full responsibility for enforcing law and order. With the support of international partners, the Government has prepared a plan to restructure the security sector. Some agencies would merge, others would be dissolved. The plan is still under discussion, however, and is not likely to be finalized and implemented soon, given the resistance it is facing within the State security apparatus, which comprises 11 different institutions.

115. The capacity to control borders remains extremely low. According to the Bureau for Immigration and Naturalization, of 176 border entry points, 36 are currently manned by immigration officers with very few vehicles, no radio communication equipment and sometimes no office.

116. According to the Inspector General of Police, the Liberian National Police consists of 280 officers in the Emergency Response Unit, 200 in the Police Support Unit and around 3,000 regular police officers, adding up to around 3,500 officers. The Chief of Police informed the Panel that his strategic goal is to increase the number of Police Support Unit officers by 1,000 to 1,500 officers. In 2009/10, the Liberian National Police received a budget allocation of $8 million, half of the amount initially requested.

117. The Ministry of Defence informed the Panel that several years and additional resources are necessary before the Armed Forces of Liberia reach significant operational capacities. Furthermore, the Armed Forces of Liberia, consisting of 2,000 men and women, are not expected to have the capacity to secure the whole Liberian territory and have not yet been assigned a specific mandate. According to the Ministry of Defence, given the absence of an external threat, priority should be put on institution-building, the rule of law and the regular police.

D. Capacity of the Government to control weapons

118. In a letter dated 26 March 2010, the Chairman of the Security Council Committee drew the attention of the Under-Secretary-General for Peacekeeping Operations to the recommendations made by the Panel to support the Government of Liberia in establishing a proper weapons and ammunition control system (see S/2009/640, paras. 202-206). He also asked for a response on the actions taken in connection with those recommendations.

119. In January 2010, Liberia submitted to the Office for Disarmament Affairs of the United Nations Secretariat its third national report on the implementation of the

Programme of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in All Its Aspects.[15]

120. However, contrary to the 2010 Liberia national report, the marking and tracing procedure does not comply with the requirements of the International Instrument to Enable States to Identify and Trace, in a Timely and Reliable Manner, Illicit Small Arms and Light Weapons for the following: the simple marking on each imported small arm or light weapon that permits identification of the country of import and, where possible, the year of import; the unique marking and recording of all illicit small arms and light weapons that are found in its territory; and the establishment of an accurate and comprehensive record for all marked small arms and light weapons, which is then maintained to enable the competent national authorities to trace illicit small arms and light weapons in a timely and reliable manner (see paragraphs 8, 9 and 11 of the International Tracing Instrument[16]). Unless it complies with those very basic requirements, it is unlikely that Liberia will be in a position to initiate or respond to tracing requests in a prompt, timely and reliable manner as required by the International Tracing Instrument.

121. Executive Order No. 6, on a total ban of firearms, expired at the end of 2007. The only existing instrument is the not currently in force Firearms Traffic Act, included in the National Defence Law, adopted in 1956.

122. The ECOWAS Convention on small arms entered into force on 29 September 2009. Liberia, as a ratifying member, must take measures to comply progressively with the obligations under the ECOWAS Convention, which include regulation of the possession, use and sale of small arms by civilians (including for hunting purposes); establishment of a national computerized register and database; establishment of effective national standards and procedures for stockpile management, storage and security; establishment of responsibility and building national capacity (equipment and know-how) to properly collect and destroy small arms and light weapons and their ammunition; and establishment of an effective national system of marking and tracing.

123. In March 2010, the UNMIL Central Database Advisory Unit demonstrated to the Panel a recently developed database aimed to register weapons and ammunition. This tool was put at the disposal of the Liberian National Police in January 2010. This meets the ECOWAS Convention requirement and the Panel will monitor the implementation process by the Liberian National Police and its provision to all the other security institutions and agencies in charge of weapons and ammunition.

124. Weapons, ammunition and unexploded ordnance are discovered frequently in Liberia, mainly in the northern and western parts of the country. According to UNMIL statistics, in a period of two months from 1 February to 8 April 2010, nine small arms (two AK-47 rifles, seven rocket-propelled grenades), around 60 explosive devices (unexploded ordnance, grenades, mortar shells) and 2,500 bullets of various calibre were reported by UNMIL troops or Liberian authorities. Liberian authorities have no capacity to properly collect and dispose of these arms and explosives.

[15] The Liberia national report is available from www.un-casa.org/CASACountryProfile/PoANationalReports/2010%20National%20Report-Liberia(en).pdf.

[16] See A/60/88 and Corr.2.

X. Recommendations

125. The Panel has a number of recommendations regarding its findings in the first part of its mandate. Its recommendations from previous reports also remain valid.

126. The Panel recommends that the Kimberley Process reconsider the wording of the administrative decision for sharing information with United Nations panels/groups of experts to ensure that the mandates of these Security Council bodies are not affected by delays or the unwillingness of some Participants to share necessary information.

127. The Panel recommends that the Security Council continue to renew the UNMIL mandate to provide assistance to the Government of Liberia in re-establishing proper administration of its natural resources and authority in mining and forestry areas.

128. In order to improve the communication process about waivers and de-listing of individuals at the Liberian level, the Panel recommends that UNMIL communicate directly to the Liberian Ministry of Foreign Affairs and the Ministry of Justice any information received from the Committee on waivers.

129. The Panel recommends that the Government of Liberia demonstrate its commitment to international obligations by implementing the assets freeze in Liberia.

130. The Panel urges all Member States with which it has outstanding information requests to forward such information to the Panel in as expeditious a manner as possible.

131. As the discovery and disposal of unexploded ordnance will be a long-lasting public safety issue in Liberia, the Panel strongly recommends UNMIL to support the creation of an explosive ordnance disposal specialized unit as part of the Liberian National Police and gradually hand over this activity to the Liberian authorities.

132. The Panel encourages all Member States notifying the Committee in advance pursuant to paragraph 6 of resolution 1903 (2009) to make use of the advance notification form annexed to the revised guidelines (see annex IV).

Annex I

Meetings and consultations held by the Panel of Experts

Brussels

European Commission

Canada

Foreign Affairs and International Trade Canada; Natural Resources Canada

Liberia

Government

Bureau of Immigration and Naturalization; Drug Enforcement Agency; Forestry Development Authority; Liberia National Police; Ministry of Defence; Ministry of Foreign Affairs; Ministry of Gender; Ministry of Justice; Ministry of Labour; Ministry of Lands, Mines and Energy; Ministry of National Security; Minister of State for Presidential Affairs; National Security Adviser; county authorities in Grand Gedeh, River Gee, Maryland and Grand Kru counties

Others

Barteh Jam Mining Committee, Grand Gedeh; Cavalla Rubber Plantation; Putu Iron Ore Mining Company; Peacebuilding Committee of Barclayville, Grand Kru County; youth groups in Zwedru, Grand Gedeh County, and Harper, Maryland County

Bilateral and multilateral organizations

United Nations Mission in Liberia; Embassy of the United States of America; Political Mission of the United Kingdom of Great Britain and Northern Ireland; World Bank

Switzerland

Geneva Call; Group of Experts on Côte d'Ivoire; International Union for the Conservation of Nature and Natural Resources; United Nations Environment Programme

United States of America

United Nations Development Programme; Departments of Political Affairs and Peacekeeping Operations of the United Nations Secretariat; Peacebuilding Commission Support Office

Permanent Missions of Bosnia and Herzegovina, Serbia and the United Kingdom of Great Britain and Northern Ireland; and the United States Mission to the United Nations

State Department; Environmental Law Institute; Global Witness; Stimpson Centre

Annex II

Response of the Government of Liberia to the report of the Panel of Experts of December 2009 (S/2009/640)

Letter dated 1 April 2010 from the Minister for Foreign Affairs of Liberia addressed to the Special Representative of the Secretary-General for Liberia

I present my compliments and wish to forward the attached document which constitutes the official reaction of the Government of Liberia to the report of the 2009 review visit to Liberia by the United Nations Panel of Experts.

The Ministry requests that this matter be brought to the attention of the competent authorities of the United Nations.

(*Signed*) Olubanke **King-Akerele**
Minister

Attachment

Issues raised in the report of 2009 of the Panel of Experts on Liberia

Summary

Non-compliance in the implementation of the Kimberley Process Certification Scheme. This is the general conclusion drawn by the Panel of Experts insinuating no progress has been made by Liberia since the last Experts' report. This is contrary to the contents of this very report.

Abuses of internal controls. Internal controls are the most cumbersome aspect of Kimberley Process implementation. No Kimberley Process member State or participant anywhere in the world can speak of a perfect internal control system. Some countries do not even practise any internal control systems in their Kimberley Process implementation as Liberia is made to undertake.

Mounting evidence of regional trading networks. These are allegations that need further proof. We cannot deny this but more concrete proof is required.

Potential infiltration of sanctioned Ivorian diamonds. As far as our records are concerned, our system of internal controls, through a chain of custody, tracks every diamond produced in Liberia from mine pit to export. There is no evidence of sanctioned Ivorian diamonds in Liberia.

Diminished political will of the Ministry of Lands, Mines and Energy. If this relates to the meetings of the Diamond Task Force, that body is now very engaged with Kimberley Process implementation monitoring and supervision.

Sections III and IV

Problematic regulation of natural resources owing to remote locations of operations, poor infrastructure, limited Government capacity and corruption (paras. 8, 11 and 12). This summarizes the problems being faced by the Government in meeting the Kimberley Process requirements.

Diamond exports of 18,000 carats valued at US$ 7.4 million; royalties only US$ 222,000 (para. 25). Total exports earned since September 2007 amount to under $600,000 (para. 26). This is the cost of running the Government Diamond Office for one year; Liberia is losing to implement the Kimberley Process Certification Scheme III.

Dealers not meeting the minimum export requirements ($100,000 per quarter) are subject to fines (para. 28). An analytical list of those dealers not meeting this requirement has been prepared pending a decision on the next steps in terms of levying the requisite fines.

Number of class C licences difficult to obtain from the Ministry; illicit mining ongoing in the gold and diamond sectors. Deputy Minister announces at Kimberley Process plenary all miners licensed in response to 2009 review visit (para. 29). This list has now been updated by the Bureau of Mines and all categories of licences are available. The issue of illicit mining is problematic. It needs a robust intervention to curb it. The Deputy Minister informed the Kimberley Process plenary that all miners who applied were licensed by the Government of Liberia.

Issue of class B licences (para. 30). The issue of class B has already been clarified by the listing provided by the Bureau of Mines.

Fake receipts at the Ministry of Lands, Mines and Energy and the Ministry of Finance and other Government agencies (para. 31). The Government has already instituted measures to eliminate fake receipts. Internal auditors, who must verify and counter-check and sign each payment receipt, have been assigned to each ministry/agency. These measures are paying off now because the fake receipt scheme has been minimized.

Purported Liberian diamonds confiscated in Dakar in 2006 (para. 32). During 2006 Liberia was still under United Nations sanctions and the Government moratorium on mining was still in effect. How these diamonds were identified as Liberian without footprinting is a quagmire.

Non-compliance with (a) internal controls; (b) data maintenance and sharing; (c) barely in compliance with Kimberley Process Certification Scheme (para. 34). This is a repeat.

Relocation of companies in the region, presence of regional trading networks, and infiltration of Ivorian sanctioned diamonds into Liberian exports (para. 35). The Government of Liberia has not identified any such networks or linkages.

Liberian diamonds escaping and being traded outside the Kimberley Process regime (para. 36). The Ministry of Lands, Mines and Energy needs logistic support to curb this by deploying requisite personnel in the alluvial production areas of the country.

Internal controls, progress must not be piecemeal, required coordination among actors, no further review visit recommended, Kimberley Process Focal Point to provide semi-annual updates to Kimberley Process Chair (para. 37). Agreed.

Challenges to Kimberley Process implementation recognized by the Panel of Experts, diamond trading ongoing outside the Kimberley Process Certification Scheme (para. 38). This is already addressed above.

Political will, internal controls, data requirement issues, regional networks, illicit sales of diamonds (para. 39). Also already addressed.

Reduction in political will, Liberia barely meeting Kimberley Process requirements (para. 40). Already addressed.

2009 review visit was a disappointment, concurrence with 2009 review visit conclusion (para. 41). This has been addressed in our response to the Kimberley Process review visit team.

The Ministry of Lands, Mines and Energy did not adequately prepare for the 2009 Kimberley Process visit; preparations were made but may not have been to the expectation of the review visit team (para. 42). The Government Diamond Office could not give documents to the review visit team until "pressed" to do so. The management of the Government Diamond Office gave the review visit team all documents that were requested by them.

Problems of scheduling meetings during the 2009 review visit, invitations not extended to attendees (para. 43). At the time of the review visit the Diamond Task Force was not meeting regularly.

Field visits during the review visit were not well organized, field visits not treated seriously, regional officers ill-prepared, lost keys in Weasua (para. 44). The logistics for regional officers (motorbikes, fuel) were not available due to budgetary constraints.

Accusation that the Ministry of Lands, Mines and Energy does not always implement the mining laws and regulations, class C miners using heavy equipment (para. 45). The Ministry of Lands, Mines and Energy is implementing its mining laws while regulations are being developed.

No action against users of heavy equipment by the Ministry of Lands, Mines and Energy (para. 46). Actions (stoppage and fines) are being taken against violators.

Non-cooperation among Ministry of Lands, Mines and Energy departments, e.g., the Government Diamond Office and the Bureau of Mines, lack of involvement of police, low degree of awareness among the police (para. 47). The lack of cooperation/coordination among departments is a problem that has persisted over the years. Action is now in progress to ensure this. Police are now actively engaged and awareness among police is high.

Complaints from stakeholders about transparency in the mining sector and inability to obtain information from the Ministry of Lands, Mines and Energy on companies operating in the counties; negative reaction to this by Ministry officials (para. 48). The Ministry of Lands, Mines and Energy has begun a campaign to inform all local county officials of the existence of mining companies in their counties.

Waning political will, no regular meeting of the Diamond Task Force (para. 49). This is correct but the situation is now reversed. Meetings of the Diamond Task Force are ongoing.

Regional issues should augment, not replace national level commitment (para. 50). Agreed.

Record-keeping, issuance of diamond vouchers to miners with expired licences, problems with flow of vouchers to Monrovia from regional offices (para. 52). Vouchers are issued only to legally licensed miners. Expired licence holders are not recognized by the Government Diamond Office.

Impossible to thoroughly review functioning of internal control system; Government Diamond Office does not permit analysis of links between vouchers, sales receipts and Kimberley Process certificates; timing of vouchers from mine to Monrovia (para. 53). The Government Diamond Office has always cooperated with the Panel of Experts in assessing the database, albeit our laws require a prior permission from the Kimberley Process Chair.

Linkage of Mustapha Tounkara with Youri Freund and Shimon Freund (para. 54). What took place outside of Liberia should not be alluded to by the Panel of Experts.

Annex III

Administrative decision of the Kimberley Process on sharing information with the United Nations

Swakopmund, 5 November 2009

The Kimberley Process recognizes that cooperation with the United Nations is an important responsibility of the Kimberley Process Certification Scheme, and is committed to facilitating the timely sharing of information whenever possible. This administrative decision is intended to clarify the procedures by which the working groups may share Kimberley Process Certification Scheme information with the United Nations Groups of Experts or other bodies with a United Nations mandate to work on Kimberley Process Certification Scheme-related issues.

1. If a United Nations Group of Experts or other body believes that the Kimberley Process possesses information that would be useful to its investigations, programmes, or activities, the head of the Group of Experts or other body should submit a written request outlining the specifics of the information being requested and the motivation for the particular need for the information. This request should be sent to the Kimberley Process Chair.

2. Prior to receiving any such information, assurances of confidentiality are to be given by the Group of Experts or other body, to the effect that the information is not to be further disclosed or used for purposes other than those described in the request without prior written consent of the participant(s) to whom the information is related.

3. Upon receipt of such a request, the Kimberley Process Chair should forward it to the Chairs of the relevant working groups, who should consult with participants of the working groups and provide any comments or concerns within 10 working days. The Kimberley Process Chair should consult any affected participants that are not members of relevant working groups.

4. In the absence of any objections by Chairs of the working groups and/or the concerned participant(s), with due consideration to commercial sensitivities of participants, the Kimberley Process Chair should grant the request and provide the relevant information to the requesting Group of Experts or other body.

5. If objections to the request are received, the Kimberley Process Chair should attempt to resolve the objections through discussions with the objecting Chair(s) of the working group(s) and/or the participants. After a consensus is reached, the Kimberley Process Chair may propose an acceptable alternative arrangement to the requesting Group of Experts or other body. If the alternative proposal is not accepted, the Kimberley Process Chair should direct the matter to the attention of the working groups Chairs and should attempt to resolve the matter and reach consensus. If no consensus is reached the Kimberley Process Chair refuses to share the requested information.

In cases when the request on sharing information is connected with a cooperation provision in a Security Council resolution, the Kimberley Process Chair may overrule these objections and share the requested information. The Kimberley Process will fully cooperate with United Nations sanctions panels without undue delay.

6. If, on the recommendation of the Kimberley Process Chair, information is provided, the Group of Experts or other body should, at the end of that time, provide a brief, written report to the Kimberley Process summarizing what information was used and for what purposes. The Group of Experts or other body may also request expanded information as needed; the Kimberley Process should consider any such request as described above.

7. The Kimberley Process Chair should inform the participants of the plenary about the cases in which information has been shared.

Annex IV

Annex to the guidelines of the Committee

Advance notification form for use by States in connection with any shipment of arms and related materiel to the Government of Liberia, or any provision of assistance, advice or training related to military activities for the Government of Liberia

A. Shipment of arms and related materiel

Type and quantity of weapons to be delivered:

Type and quantity of ammunitions to be delivered:

End-user(s) of the weapons and/or ammunition to be delivered:

Proposed date of delivery:

Itinerary of shipments including mode of transport and entry point where the material would be imported into Liberia:

B. Provision of assistance, advice or training related to military activities

Type of assistance, advice or training to be provided:

Recipient(s) of assistance, advice or training to be provided including a number where applicable:

Location where assistance, advice or training will be provided: